
THE FARM CREDIT COUNCIL

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August 15, 2008

Mr. Gary Van Meter
Deputy Director
Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, VA 22102-5090

Dear Mr. Van Meter:

Several letters received by the Agency from those who oppose this regulation question whether there are needs in rural America when it comes to support for community facilities, health care, transportation, etc. They obviously prefer to deny that needs exist because admitting to the same would undercut their blind desire to oppose this proposal.

I have attached two studies that have been released by the Carsey Institute at the University of New Hampshire that identify and discuss some of these needs. *“Demographic Trends in Rural and Small Town America”* highlights how change is occurring across the rural landscape and how that change is impacting on essential community facilities. It notes how “the federal government spent two to five times more money per capita on urban than rural community development” and how “investment is critical to facilitate growth in thriving rural areas and cushion the effects of population loss in other communities.” It discusses how the rate of poverty among rural children is higher than that for urban children and that this situation has only gotten worse since the late 1990s. In addition it reviews work that has been done looking at access to health care in rural areas and comes to the following important conclusion, “The higher fatality rates in rural areas for infants, young adults, middle aged adults and victims of motor vehicle accidents is a sober reminder that where you live sometimes determines whether you live.”

“Place Matters Challenges and Opportunities in Four Rural Americas” summarizes the initial findings of a survey of about 8,000 residents of rural America looking at rural life. Again the findings are relevant to the regulatory development process in which you are engaged. For instance, the report states, “Federal investment in community infrastructure has been declining for years.” They found a set of common themes and needs that are summarized as follows, “Certain policy ideas seem applicable to all rural places: a need for advanced telecommunications technology; access to affordable health care; effective educational facilities and staff for children and adults; more accessible and efficient public transportation; affordable housing; jobs that offer living wages.”

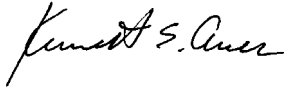
Clearly there are a multitude of needs across rural America relative to the well-being of rural residents. Utilizing the flexibility Congress built into the investment authority contained in the Farm Credit Act, this proposal permits System institutions to put their investments to work to



enhance the rural communities in which their farmer owners and employees live. Why should they be forced to have their investment options limited in ways that will not permit them to help accomplish local good. Congress had to adopt the Community Reinvestment Act to force commercial banks to reinvest in their local communities. It should be a refreshing alternative for policy makers to have entities that are eager to do so on their own.

It is regrettable that the commercial banking sector has once again shown their true colors by choosing to oppose an opportunity that would allow System institutions to work with them in enhancing rural America. Those that have a real interest in rural America understand how this can work. We urge you to move this forward and to finalize it in a timely manner.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth E. Auer". The signature is fluid and cursive, with the first name "Kenneth" being more prominent and the last name "Auer" following in a similar style.

Kenneth E. Auer
President and CEO